

Marketing ROI

ROI-centric marketing management and marketing accountability is critical for organizations today. In a challenging marketing and retail environment with an ever-increasing focus on the consumer, companies need to measure the return on all their marketing investments in order to achieve their business objectives.

Measuring Marketing ROI

In order to succeed in today's marketplace, manufacturers need to measure and optimize marketing return on investment (ROI) using quantitative techniques and utilize results to drive business value. Continuous application of Marketing ROI offers companies a competitive edge.

Nielsen Analytic Consulting Marketing Mix Solutions help manufacturers measure and improve their marketing ROI. In today's consumer-focused marketing environment, brand managers design marketing strategies centered around the consumer. Nielsen's proprietary ROI modeling approach measures the impact of marketing as a whole and on distinct consumer groups, making it more actionable for marketers. Our consultants use a customized approach to each project, working with you to design a solution unique to your objectives and needs.

Features

- Measurement of a wide array of marketing, including traditional (e.g., TV, in-store trade) and non-traditional (e.g., interactive, sports) marketing elements.
- "Consumer-ized" store-level model for complete evaluation of media, consumer and in-store promotions and measuring differences in response across consumer groups.
- Expanded volume coverage beyond POS-based models with supplemental, and cost-efficient, household panel models.
- Integration of data from various Nielsen assets (Nielsen POS, Spectra, Nielsen Media Research, Nielsen//NetRatings and TDLinx)
- Actionable recommendations for every study; consultative approach for every phase of the study.
- Consulting services to the client through iterative simulations and what-if scenarios in order to improve their marketing plans.



Key Benefits:

- Increase marketing efficiency by understanding the most effective and efficient marketing mix elements.
- Know your ROI in total and across consumer targets/ethnic groups.
- Increase bottom line profit by designing ROI-focused strategies, and targeting them against high-ROI consumers.
- Gain perspective on your mix by comparing your marketing strategy to industry norms.
- Capitalize on Nielsen's Global Marketing Mix experience.

For more information,
contact your Nielsen Analytic
Consulting representative
or visit our web site
at www.nielsen.com

Case Study: Generating brand awareness to increase ROI

Situation:

Pasta Sauce manufacturer Arragon allocates marketing spending toward trade, TV, coupon, online and print advertising for their Rizo brand and needs to understand which elements of their marketing mix generate the strongest ROI. Evaluating the ROI of each marketing mix element will help Arragon redistribute their mix and optimize their market spending.

Solution:

Nielsen's Marketing Mix brings specific, actionable recommendations to address this business issue. Rizo's consumption indices show a high propensity for lower income households to purchase the brand, but penetration indices indicate that Rizo only has a 30% penetration rate within this consumer group. Rizo's consumer skew aligns nicely with that of the Grocery Mart shopper, as well as the profile of heavy TV viewers. Thus, Rizo is in a

strong position to leverage trade promotion in Grocery Mart, and leverage television advertising to improve penetration within its lower income consumer target. (Figure 1)

A Winning Trade Promotion Strategy

Marketing Mix Analysis shows that Rizo's volume growth in grocery is driven by increased grocery channel trade support. A 17% increase in grocery trade spending resulted in a 60% increase in grocery trade incremental. (Figure 2)

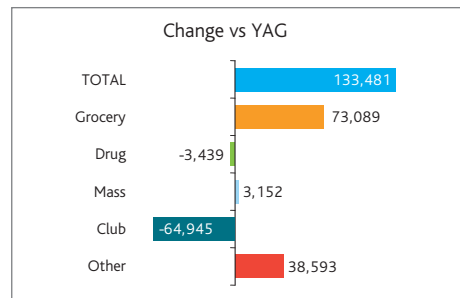


Figure 2

The incremental volume from grocery trade spending grew significantly in response to the brand's ability to cost-efficiently increase the frequency of high quality features and/or display promotions.

Leverage the Benefits from TV Advertising

While trade spending dominates Rizo's marketing budget, TV advertising was its most efficient mix element during each of the past two years. (Figure 3)

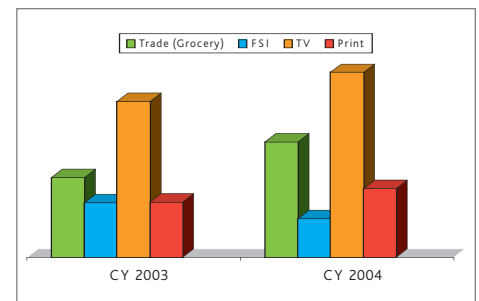


Figure 3

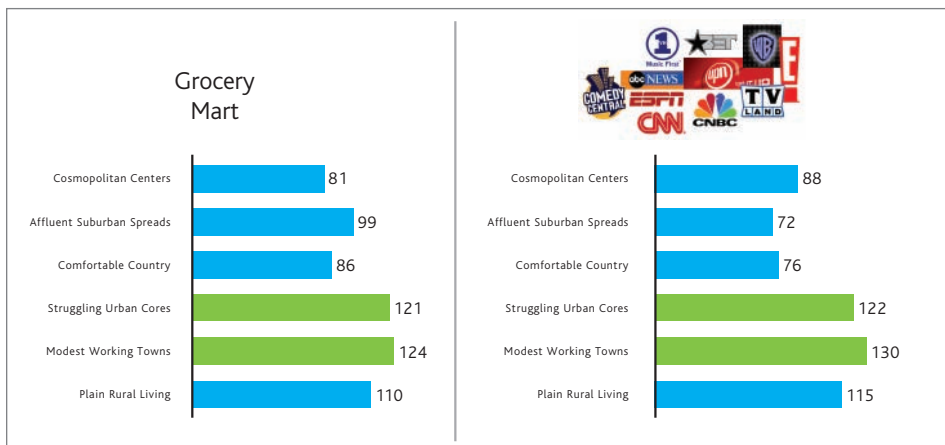


Figure 1

TV advertising is the most cost-efficient marketing mix element for Rizo and is well above industry norms. Nielsen recommended that Rizo continue to leverage the media cost benefits of 15 second ads, and focus weight most heavily against cost-efficient Q1 and Q3. For Rizo, the cost-efficient delivery of simple brand/category reminders is key. Furthermore, Nielsen proposed increasing TV ad spending up to 50%, with a focus on ad continuity.